

Indiana House of Representatives

News and Information

Media Office

Democratic Caucus

John Schorg, Director

Statehouse, Room 157

Indianapolis, Indiana 46204

1-800-382-9842 or 1-317-232-9621

Fax Number: 1-317-232-9792

FOR IMMEDIATE RELEASE:

March 31, 2005

PFLUM BILL ON FUNDING CAPITAL IMPROVEMENTS PASSED BY HOUSE

INDIANAPOLIS -- Senate Bill 329, legislation co-sponsored by State Rep. Phil Pflum (D-Milton) that will extend the Henry County food and beverage tax until 2015, passed the House today by a vote of 75 - 17.

The revenues generated by this tax can also be used to issue bonds, enter into leases and to pay for other obligations.

The food and beverage tax rate of 1 percent is not increased by this legislation.

In 2004, this tax generated over \$410,000 for Henry County.

"This is an efficient, fairly painless way to generate revenue for capital improvements in Henry County," said Pflum. "It is necessary that we find a way to have money to fund capital improvements and this tax provides us with a guaranteed cash flow."

The Henry County Food and Beverage Tax Council and Capital Improvements Committee will be extended indefinitely. They technically expired on January 1, 2005.

Wayne County and its cities and towns would also be authorized to adopt a 1 percent food and beverage tax. It is assumed that over \$1 million might accrue in the first full year of the tax's implementation. The revenues could be used for promoting tourism, conventions and economic development.

"This is a rather significant amount of money that could be used to make great improvements in the tourism industry in Wayne County," said Pflum.

The bill makes other technical changes to parts of the Indiana Code.

Senate Bill 329 now goes to the governor for final approval.